

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

GLORIA ARTHUR, on behalf of
herself and all others similarly
situated,

Civil Action No.

Plaintiff,

v.

TRAVELERS COMPANIES, INC.,

Defendant.

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) is submitted pursuant to Rule 23 of the Federal Rules of Civil Procedure. Subject to the approval of the Settlement Court (as defined herein), this Agreement is entered into between and among (1) the Settlement Class Representatives (as defined herein) on behalf of themselves and the Settlement Class (as defined herein) and (2) Travelers (as defined herein), by and through their respective counsel.

WHEREAS, a number of civil proceedings containing class action allegations have been filed in the United States District Court for the Eastern District of Louisiana (the “Filed Actions” as defined herein) in which the Plaintiff Class Representatives (as defined herein) have alleged, *inter alia*, that defendants, including Travelers, mishandled claims arising out of Hurricanes Katrina and/or Rita (as defined herein), thereby allegedly causing members of the Settlement Class to receive fewer benefits than those to which they were entitled;

WHEREAS, Travelers asserts a number of legal and factual defenses to the claims made in the Filed Actions and denies any wrongdoing or liability whatsoever;

WHEREAS, Class Settlement Counsel (as defined herein) have concluded, after discovery and investigation of the facts and after carefully considering the circumstances of the Filed Actions, including the claims asserted in the complaints in the Filed Actions and the possible legal and factual defenses thereto, that it would be in the best interests of the Plaintiffs (as defined herein) to enter into this Agreement, which interests include the substantial value to be derived by this settlement and the interest in avoiding the uncertainties of litigation and assuring that the benefits reflected herein are obtained for the Plaintiffs; and, further, that Class Settlement Counsel consider the settlement set forth herein to be fair, reasonable and adequate and in the best interests of the Plaintiffs;

WHEREAS, Travelers, through its counsel, after vigorous, arms-length negotiations, has conditionally agreed to pay certain sums in settlement for the benefit of the Settlement Class, as provided in this Agreement;

WHEREAS, Travelers, despite its belief that it has valid and complete defenses to the claims asserted against it in the Filed Actions, has nevertheless agreed to enter into this Agreement to reduce and avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation, and thereby to resolve this controversy;

WHEREAS, to facilitate implementation of the settlement of the Filed Actions as to Travelers, the Settlement Class Representatives filed this Action (as defined herein).

NOW, THEREFORE, it is agreed by and between the undersigned on behalf of Travelers and the Settlement Class Representatives that any and all claims made or that could have been made against Travelers by Settlement Class Representatives or the Settlement Class in the Action be settled, compromised and dismissed on the merits and with prejudice and, except as hereafter provided, without costs as to Settlement Class Representatives or Travelers, subject to the approval of the Settlement Court, on the following terms and conditions.

I. DEFINITIONS

1. Settlement Class Definition. Subject to the Settlement Court's approval, and the conditions of Section III(1), the undersigned agree and consent to the certification pursuant to Fed. R. Civ. P. 23(b)(3) of the following settlement class (the "Settlement Class") in the Filed Actions:

All persons, including but not limited to their assignees, subrogees, and lienholders (including the State of Louisiana), who sustained any loss or damage of any kind, arising in any way out of damage, destruction, or harm to property in the State of Louisiana related in any way to Hurricanes Katrina and/or Rita, and who, at the time of the loss, had any rights under a policy of insurance from Travelers. Loss or damage includes but is not limited to: (1) loss or damage to real or personal property; (2) the incurring of additional living or business expenses; or (3) the loss of any business or other income. The class excludes all persons, other than the State of Louisiana as plaintiff in the Road Home Litigation, who have a suit pending against Travelers as of the date of the Preliminary Approval Order related in any way to losses stemming from Hurricanes Katrina and/or Rita. The class also excludes class counsel, members of the judiciary, their administrative staff and any other personnel who may cause a member of the Louisiana bench to be unable to preside over this action. Notwithstanding the above, the class does not include the State of Louisiana as assignee of claims by non members of the class.

2. General Definitions. As used in this Agreement, the following terms shall have the indicated meanings:

A. The term "Complaint" shall mean the pleading to be filed pursuant to Section II(2), which pleading shall be mutually acceptable to, and may not be modified without the mutual consent of, each of the Parties (as defined herein) in their sole and absolute discretion, and shall be in substantially the form of attached Exhibit A.

B. The term "Action" means the action associated with the Complaint.

C. "Court" or "Settlement Court" means the Honorable Stanwood R. Duval, Jr. of the United States District Court for the Eastern District of Louisiana, or if Judge Duval is

not available, another judge from the United States District Court for the Eastern District of Louisiana who will be designated by Judge Duval or who is appointed to preside over the action, or any subsequent court before which Travelers' Counsel and Class Settlement Counsel agree to settle the claims of the Settlement Class.

D. "Class Member" means any person or entity falling within the definition of the Settlement Class set forth in Paragraph 1 above other than any Class Opt-Outs.

E. "Class Settlement Counsel" means Calvin C. Fayard Jr., N. Frank Elliot III, Frank C. Dudenhefer, and Joseph M. Bruno.

F. "Class Opt-Out" means any person or entity falling within the definition of the Settlement Class set forth in Paragraph 1 above who timely and validly submits a request for exclusion from the Settlement Class in accordance with the procedures set forth in the Settlement Notice.

G. "Settlement Class Representatives" means the named plaintiff who has asserted claims on behalf of herself and a putative class in the Action and whose name will be submitted to the Court for consideration as an adequate representative of the Settlement Class. Named as provisional Settlement Class Representative for pre-certification purposes is the following person: Gloria Arthur. Each Settlement Class Representative shall execute for submission with the Joint Motion (as defined herein) a sworn declaration in substance and form mutually acceptable to the Parties.

H. The "Class Escrow Account" has the meaning ascribed in Section II(9)(A)(1) of this Agreement.

I. "Effective Date" has the meaning ascribed in Section II(8) of this Agreement.

J. "Filed Actions" are the suits identified in Exhibit B.

K. The term “Hurricane Katrina” shall mean the tropical cyclone named “Hurricane Katrina” by the National Weather Service’s National Hurricane Center which made landfall in Louisiana on or about August 29, 2005 including, but not limited to its classification as a tropical depression, storm, hurricane and/or weather event and any and all effects due to, caused by, or relating to Hurricane Katrina (including, but not limited to, water damage from any levee or canal failures, or any other flooding during or following the hurricane winds, as well as any vandalism, fires, and/or looting during or following the hurricane) regardless of whether same occurred prior to, concurrently with, or following Hurricane Katrina’s landfall including, but not limited to, storm surge, flooding, rainfall, lightning, wind and/or tornados.

L. The term “Hurricane Rita” shall mean the tropical cyclone named “Hurricane Rita” by the National Weather Service’s National Hurricane Center which made landfall in Louisiana on or about September 24, 2005 including, but not limited to, its classification as a tropical depression, storm, hurricane and/or weather event and any and all effects due to, caused by, or relating to Hurricane Rita (including, but not limited to, water damage from any levee or canal failures, or any other flooding during or following the hurricane winds, as well as any vandalism, fires, and/or looting during or following the hurricane) regardless of whether same occurred prior to, concurrently with, or following Hurricane Rita’s landfall including, but not limited to, storm surge, flooding, rainfall, lightning, wind and/or tornados.

M. “Joint Motion” is the pleading to be filed pursuant to Section II(2), which pleading shall be mutually acceptable to, and may not be modified without the mutual consent of, each of the Parties in their sole and absolute discretion, and shall be in substantially the form of attached Exhibit C. This Agreement shall be an exhibit to the Joint Motion.

N. "Plaintiff Class Representatives" means the named plaintiffs in the Filed Actions that are alleged to have been an insured of Travelers.

O. "Plaintiffs" means the Settlement Class Representatives together with all members of the Settlement Class as defined.

P. "Releasees" or "Released Entities" means Travelers (as defined herein).

Q. "Released Claims" means any and all known or unknown claims, demands, actions, suits, causes of action (under the common, or civil law, statutes, or regulations), damages whenever incurred whether compensatory or exemplary, liabilities of any nature or under any theory whatsoever, including costs, expenses, penalties and attorneys' fees, in law or equity, that any Releasor, whether or not they object to the settlement, ever had or now has, directly, representatively, derivatively or in any capacity, arising out of any conduct, events, or transactions of the Released Entities related in any way to any alleged damage, destruction, or harm to real or personal property, alleged additional living or business expenses, or alleged losses of business or other income in the State of Louisiana as a result of Hurricanes Katrina and/or Rita, including but not limited to claims for breach of contract, extracontractual damages, penalties, punitive damages, and/or attorneys fees under any legal theory, including, but not limited to La. Civ. Code Arts. 1997 and 1998, La. R.S. 22:1892 (previously codified at La. R.S. 22:658) and/or 22:1973 (previously codified at La. R.S. 22:1220).

R. "Releasors" means any and all Class Members, as well as their respective present and former, direct and indirect, parents, subsidiaries, divisions, partners and affiliates, their respective present and former stockholders, officers, directors, employees, managers, agents, attorneys and any of their legal representatives, any future operating entities created and controlled by a Class Member, and any predecessors, successors, heirs, executors, trustees, administrators, assigns and subrogees of each of the foregoing, all in their capacities as such, and

any entities or persons on whose behalf the Class Member is authorized to act. All Released Claims are forever discharged, and such claims cannot be asserted by any of Releasors' future, direct and indirect, parents, subsidiaries, divisions, partners and affiliates, their respective future stockholders, officers, directors, employees, managers, agents, attorneys and any of their legal representatives, or any successors, heirs, executors, trustees, administrators, assigns or subrogees of each of the foregoing. As used in this Paragraph, "affiliates" means entities controlling, controlled by or under common control with a Releasor.

S. "Settlement Notice" has the meaning set forth in Section II(3)(A) of this Agreement.

T. "Travelers" means Travelers Companies, Inc. and its present and former subsidiaries, affiliates, divisions, associates, agents, successors, predecessors, assignors, assignees, and/or assigns and each of their respective present, former or future, officers, directors, shareholders, agents and employees. "Travelers" includes, but is not limited to, the companies listed on Exhibit K, attached hereto.

U. "Travelers' Counsel" means Ralph S. Hubbard III, Seth A. Schmeeckle, and David F. McDowell.

V. "Alternative Judgment" means an order and final judgment entered by the Settlement Court other than that set forth in Exhibit I, which no Party elected to terminate the Agreement over as permitted by Section IV, herein.

W. "Parties" or "Party" mean the Settlement Class Representatives and Travelers.

X. "Road Home Litigation" means the action entitled *State of Louisiana, ex rel., Charles C. Foti, Jr. v. AAA Insurance, et al.*, Case No. 07-5528 c/w 05-4182 (E.D. La.)

II. IMPLEMENTATION OF SETTLEMENT

1. Reasonable Best Efforts to Effectuate This Settlement. Consistent with the terms of this Agreement and notwithstanding the rights of the Parties to terminate this Agreement at certain times, the Parties and their counsel agree to use their reasonable best efforts, including all steps and efforts contemplated by this Agreement and any other reasonable steps and efforts that may be necessary or appropriate, by order of the Settlement Court or otherwise, to carry out the terms of this Agreement.

2. Joint Motion. Concurrent with the submission of this Agreement for consideration by the Settlement Court, Class Settlement Counsel shall promptly file the Complaint on behalf of the Settlement Class against Travelers in the form annexed hereto as Exhibit A. Once the Complaint is filed, the Settlement Class Representatives and Travelers shall file the Joint Motion substantially in the form annexed hereto as Exhibit C.

3. Notice. All costs of notice to the Settlement Class as well as the cost of any person retained to effectuate notice in accordance with this Paragraph, shall be paid exclusively by the Settlement Class as further provided in this Agreement in Section II(4). In addition, the Parties may seek an order permitting such notice to be sent with the notice of settlement by any other defendant in similar litigation.

A. NOTICE TO THE CLASS. In the event the Settlement Court preliminarily approves the settlement set forth in this Agreement, Class Settlement Counsel shall, in accordance with Rule 23 of the Federal Rules of Civil Procedure and the Preliminary Approval Order, by mail, provide all those members of the Settlement Class who can be identified by reasonable means with a copy of the detailed Settlement Notice, substantially in the form annexed hereto as Exhibit E. Notice to members of the Settlement Class shall also be given by publication in national print media in the form annexed hereto as Exhibit F, or as otherwise ordered by the

Settlement Court, and by publication on the web site established by Class Settlement Counsel or their designee. These notices shall direct all members of the Settlement Class to review a copy of the detailed Settlement Notice, which will be published on the web site and will be mailed to any member of the Settlement Class upon request.

B. OTHER REQUIRED NOTICE. Within 10 days after the filing of the Joint Motion, Class Settlement Counsel or their designee shall serve the notices required under 28 U.S.C. § 1715, in the form annexed hereto as Exhibit G, on the “Appropriate Federal official” and the “Appropriate State officials,” as defined in 28 U.S.C. § 1715(a).

4. Payment of Expenses Related to Notice and Administration. The Settlement Class shall be liable for the first \$75,000 in expenses associated with the provision of notice to the members of the Settlement Class, including any fees for professional services rendered by any person providing notice. Travelers, will however, agree to advance monies to be paid by the Settlement Class for notice from the \$1,000,000 payment described in Section II(9)(A)(1). Travelers shall be liable for all notice expenses in excess of this amount. The Settlement Class shall be liable for all other costs associated with the administration of the settlement embodied by this Agreement.

5. Stay of Filed Actions. Upon the execution of this Agreement by all Parties, counsel for the Plaintiff Class Representatives and for Travelers in each of the Filed Actions will file a Stipulation and [Proposed] Order substantially in the form annexed hereto as Exhibit H jointly requesting that the Court stay such action as to Travelers. At the discretion of Travelers, this request for stay may be made as part of the Joint Motion or by separate motion. The Parties agree, and both the Preliminary Approval Order and the Final Approval Order and Judgment shall provide that no future finding, judgment, adjudication, or verdict rendered in any Filed Action that has been stayed or enjoined as to Travelers shall be binding on Travelers.

6. Entry of Final Judgment. If, after the settlement fairness hearing scheduled by the Settlement Court in the Preliminary Approval and Settlement Class Order, the Settlement Court approves this Agreement, then counsel for the Parties shall request that the Settlement Court enter an Order and Final Judgment substantially in the form annexed hereto as Exhibit I.

7. Dismissal of Travelers from Filed Actions. Within 5 court days of Travelers' deposit of the \$1,000,000 payment described in Section II(9)(A)(1), less any sums advanced for Class Notice pursuant to Section II(4), in the Class Escrow Account in accordance with Section II(9) below, Counsel for the Plaintiff Class Representatives in each of the Filed Actions shall file a Notice of Dismissal of Travelers With Prejudice in the form annexed hereto as Exhibit J.

8. Effective Date of Settlement. The settlement detailed in this Agreement shall be effective on the first date after all of the following events have occurred: (1) entry of the Preliminary Approval and Settlement Class Order substantially in the form annexed hereto as Exhibit D, or entry of a Preliminary Approval and Settlement Class Order not substantially in the form annexed hereto with respect to which neither Travelers nor Class Settlement Counsel invoke their termination rights within the period prescribed in Section IV; (2) final approval by the Settlement Court of this Agreement, following notice to the Settlement Class and a fairness hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure; (3) entry by the Settlement Court of an Order and Final Judgment, substantially in the form set forth in Exhibit I annexed hereto; and, (4) the expiration of any time for appeal or review of such Order and Final Judgment or Alternative Judgment, or, if any appeal is filed and not dismissed, after such Order and Final Judgment or Alternative Judgment is upheld on appeal in all material respects and is no longer subject to review upon appeal or review by writ of certiorari; and 4) this Agreement is no longer subject to termination by any Party as provided for in Section IV.

9. Settlement Consideration. Subject to the provisions hereof, and in full, complete and final settlement of all Released Claims as provided herein, Travelers agrees to the following:

A. SETTLEMENT FUND FOR BENEFIT OF CLASS.

(1) Within thirty (30) days following the Effective Date, Travelers shall pay \$1,000,000, less any amounts previously advanced by Travelers for notice pursuant to Section II(4) of this Agreement, to be deposited in an escrow account to be held by Class Settlement Counsel for the benefit of the Settlement Class ("Class Escrow Account"). Payment of the required settlement funds into the Class Escrow Account by Travelers shall completely fulfill its obligations under this Agreement to the Settlement Class and Travelers shall have no liability or responsibility with respect to any distribution of the monies from the Class Escrow Account.

(2) The money in the Class Escrow Account shall be held in an interest-bearing account that shall be a Court-approved Qualified Settlement Fund for federal tax purposes pursuant to Treas. Reg. § 1.468B-1. Class Settlement Counsel, on behalf of the Class Members, shall be responsible for all administrative, accounting and tax compliance activities in connection with the Class Escrow Account and the monies deposited into the Class Escrow Account, including any filing necessary to obtain Qualified Settlement Fund status pursuant to Treas. Reg. § 1.468B-1. Travelers shall provide to Class Settlement Counsel documentation necessary to facilitate obtaining Qualified Settlement Fund status for the Class Escrow Account pursuant to Treas. Reg. § 1.468B-1.

(3) The manner, method and timing of allocating funds in the Class Escrow Account among the Class Members shall be determined with the approval of the Court.

(4) Nothing herein precludes the Settlement Court from approving an allocation of funds in the Class Escrow Account in conjunction with any other distributions to be made to the Class Members.

(5) All taxes on income or interest generated by the Class Escrow Account shall be paid out of the Class Escrow Account. Any costs relating to the distribution of the Class Escrow Account to the Class Members shall be paid out of the Class Escrow Account.

10. Attorneys' Expenses and Fees and Fee Disputes. The Parties agree that an award of attorneys' fees in this action is a matter committed to the sole discretion of the Settlement Court. Settlement Class Counsel shall submit an application for attorneys' fees and expenses to the Settlement Court. The Settlement Court shall determine the appropriate amount of any attorneys' fees and expenses to be paid to Settlement Class Counsel. Such fees and expenses approved by the Settlement Court shall be paid exclusively from the Class Escrow Account. Upon payment of the attorneys' fees and expenses as awarded by the Settlement Court, Settlement Class Counsel shall release and forever discharge any claims, demands, actions, suits, causes of action, or other liabilities relating to any attorneys' fees or expenses incurred in the Class Action and/or the Filed Actions as to Travelers. No attorney fees shall be paid by Travelers. Settlement Class Counsel shall be entitled to any attorney's fees awarded by the Settlement Court only after the Effective Date.

11. All Claims Satisfied. Each Class Member shall look solely to the relief described in Section II(9) for settlement and satisfaction, as provided herein, of all Released Claims.

12. Class Certification For Settlement Purposes Only. The Parties acknowledge and agree and hereby stipulate, and shall so stipulate to the Court at the hearing on the request for entry of the Preliminary Approval Order and at the Certification Hearing and the Fairness Hearing, that: (i) the Settlement Class is being certified for settlement purposes only pursuant to

this Agreement, (ii) Travelers reserves the right to object to class certification *de novo* in the event this Agreement is terminated for any reason, and (iii) this Agreement shall have no precedential effect with regard to certification of a litigation class that may arise if this matter is not fully and completely resolved through this settlement effort, or otherwise.

III. RELEASES AND JURISDICTION OF COURT

1. Releases. Upon the Effective Date of this Agreement the Released Entities shall be released and forever discharged from any Released Claims that any Releasor may have had. All Releasors covenant and agree that they shall not hereafter seek to establish liability against any Released Entity based, in whole or in part, on any of the Released Claims. Upon the Effective Date, all Releasors will be forever barred and enjoined from commencing, filing, initiating, instituting, prosecuting, maintaining, or consenting to any action against any Released Entity with respect to the Released Claims.

2. Consent to Jurisdiction. Travelers and Plaintiffs hereby irrevocably submit to the exclusive jurisdiction of the Settlement Court for purposes of any suit, action, proceeding or dispute arising out of, or relating to, this Agreement or the applicability of this Agreement.

3. Resolution of Disputes: Retention of Jurisdiction. Any disputes between or among Travelers and any of the Plaintiffs concerning matters contained in this Agreement shall, if they cannot be resolved by negotiation and agreement, be submitted to the Settlement Court for resolution. The Settlement Court shall retain jurisdiction over the implementation and enforcement of this Agreement.

IV. TERMINATION OF THE AGREEMENT

1. Rejection Or Material Alteration Of Settlement Terms. Travelers and Plaintiff Class Representatives shall each have the right to terminate this Agreement by providing written notice of their election to do so ("Termination Notice") to each other within thirty (30) days of (1)

the Settlement Court declining to enter the Preliminary Approval and Settlement Class Order substantially in the form annexed hereto as Exhibit D; (2) the Settlement Court declining to enter the Order and Final Judgment substantially in the form annexed hereto as Exhibit I; (3) the date upon which the Order and Final Judgment is modified or reversed in any material respect by the U.S. Court of Appeals or the U.S. Supreme Court; (4) the date upon which an Alternative Judgment is modified or reversed in any material respect by the U.S. Court of Appeals or the U.S. Supreme Court; or (5) the mutual agreement of Class Settlement Counsel and Travelers Counsel to terminate the Agreement.

2. Opt Outs. If Travelers, in its sole discretion, determines that the number of the members of the Settlement Class who request exclusion from the class is unsatisfactory, Travelers shall be entitled to terminate this Agreement. The parameters under which Travelers likely would exercise its discretion under this Paragraph has been set forth in an agreement dated September 11, 2009, between the Parties and filed under seal with the Settlement Court.

3. Return To Pre-Agreement Status. In the event any of the Parties exercise the right of termination enumerated in this Paragraph, the stipulation concerning the certification of the Settlement Class as defined in Section I(1) shall be null and void, the rights and obligations of the Parties shall be identical to those prior to the execution of this Agreement and the status of the Filed Actions shall be as it was prior to the execution of this Agreement. In the event either Party exercises any right of termination, Travelers will have a reasonable opportunity to conduct non-repetitive discovery and to raise and have heard any dispositive motions with respect to the claims against it.

4. Dismissal Of Current Action. In the event any of the Parties exercise the right of termination enumerated in this Section, the Plaintiffs will dismiss the Action without prejudice within five court days of said termination.

5. Preservation of Rights. The Parties hereto agree that this Agreement, whether or not the Effective Date occurs, and any and all negotiations, documents and discussions associated with it shall be without prejudice to the rights of any Party, shall not be deemed or construed to be an admission or evidence of any violation of any statute or law, of any liability or wrongdoing by Travelers or of the truth of any of the claims or allegations contained in the complaint in the Action; and evidence thereof shall not be discoverable or used directly or indirectly by the Settlement Class or any third party, in any way (except that the provisions of this Agreement may be used by the Parties to enforce its terms), whether in the Action or in any other action or proceeding. This Agreement and all of the terms herein constitute compromises and offers to compromise covered by Federal Rule of Evidence 408. In the event that this Agreement is terminated pursuant to Section IV, nothing in this Agreement or its negotiation may be used as evidence in any action. The Parties expressly reserve all their rights and defenses if this Agreement does not become final and effective substantially in accordance with the terms of this Agreement.

V. REPRESENTATIONS AND WARRANTIES

1. Authorization to Enter This Agreement. The undersigned representatives of Travelers represent and warrant that they are fully authorized to enter into and to execute this Agreement on behalf of Travelers. Class Settlement Counsel represent and warrant that they are fully authorized to conduct settlement negotiations with Travelers' Counsel on behalf of the Plaintiffs and to enter into, and to execute, this Agreement on behalf of Plaintiffs, subject to Settlement Court approval pursuant to Fed. R. Civ. P. 23(e).

2. Assignment. Each Settlement Class Representative represents and warrants that he or she has not assigned or transferred any interest in the Action which is the subject of this Agreement, in whole or in part.

3. Representation. Each Settlement Class Representative acknowledges that he or she has been represented by counsel of his or her own choosing in the Action and the negotiation and execution of this Agreement and that he or she has had a reasonable and sufficient opportunity to consult with counsel to the extent he or she desires before executing this Agreement.

VI. ADDITIONAL PROVISIONS

1. Settlement Communication. The Parties specifically acknowledge, agree and admit that this Agreement and its exhibits, along with all related drafts, motions, pleadings, conversations, negotiations and correspondence, shall be considered a compromise within the meaning of Louisiana Code of Evidence article 408, Federal Rule of Evidence 408, and any equivalent rule of evidence of any state, and shall not (i) constitute, be construed, be offered, or received into evidence as an admission of the validity of any claim or defense, or the truth of any fact alleged or other allegation in this Action, the Filed Actions or in any other pending or subsequently filed action, or of any wrongdoing, fault, violation of law, or liability of any kind on the part of Travelers, or (ii) be used to establish a waiver of any defense or right, or to establish or contest jurisdiction or venue. The Parties also agree that this Agreement, any orders, pleadings or other documents entered in furtherance of this Agreement, and any acts in the performance of this Agreement are not intended to be, nor shall they in fact be, admissible, discoverable or relevant in any case or other proceeding against Travelers to establish grounds for certification of any class involving any Class Member, against Travelers to prove either the acceptance by any Party hereto of any particular theory of coverage, or as evidence of any obligation that any Party hereto has or may have to anyone.

2. Use of This Agreement. The provisions of this Agreement, and any orders, pleadings or other documents entered in furtherance of this Agreement, may be offered or

received in evidence solely (i) to enforce the terms and provisions hereof or thereof, (ii) as may be specifically authorized by a court of competent jurisdiction after contradictory hearing upon application of a Party hereto, (iii) in order to establish payment, an affirmative defense or exception in a subsequent case, including *res judicata*, (iv) in connection with any motion to enjoin or stay any of the Filed Actions, or (v) to obtain Court approval of this Agreement

3. Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto.

4. No Party Is the Drafter. This Agreement has been negotiated at arm's length, with the participation of the Parties. In the event of a dispute arising out of this Agreement, none of the Parties shall be considered to be the drafter of this Agreement or any provision hereof for the purpose of any statute, case law or rule of construction that would or might cause any provision to be construed against the drafter hereof.

5. Headings. The headings to this Agreement have been inserted for convenience only and are not to be considered when construing the provisions of this Agreement.

6. Construction. This Agreement shall be construed and interpreted to effectuate the intent of the Parties, which is to provide, through this Agreement, for a complete resolution of the Released Claims with respect to the Released Entities.

7. Choice of Law. All terms of this Agreement shall be governed by and interpreted according to the substantive laws of the State of Louisiana without regard to its choice of law or conflict of laws principles.

8. Amendment or Waiver. This Agreement shall not be modified in any respect except by a writing executed by all the Parties hereto, and the waiver of any rights conferred hereunder shall be effective only if made by written instrument of the waiving Party. The waiver

by any Party of any breach of this Agreement shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent or contemporaneous, of this Agreement.

9. Modification. Prior to entry of the Final Judgment, this Agreement may, with approval of the Court, be modified by written agreement of Class Settlement Counsel and Travelers' Counsel in their discretion without giving any additional notice to the Class, provided that such modifications are not materially adverse to the Class.

To the extent that Class Members desire to be notified regarding any additional changes as described in this paragraph, or otherwise after the initial notice of the settlement, the Certification Hearing, and the Fairness Hearing, they must file with the Clerk of Court in the Action a request for notice, or send such a request in writing to Class Settlement Counsel, who shall maintain a list of all such requests that are received. Class Members who have and who provide an e-mail address agree to electronic notification. The provisions of this section advising Class Members of this requirement shall be included in the Notice to Class Members regarding the settlement, the Certification Hearing and the Fairness Hearing.

Subsequent to the Final Approval Order and Judgment becoming a Final Judgment, this Agreement may, with approval of the Court, be modified by written agreement of Class Settlement Counsel and Travelers' Counsel in their discretion without giving any additional notice to the Class Members, provided that such modifications do not limit the rights of the Class Members under the Agreement.

10. Execution in Counterparts. This Agreement may be executed in counterparts. Facsimile signatures or signatures in PDF format shall be considered as valid signatures as of the date thereof, although the original signature pages shall thereafter be appended to this Agreement and filed with the Settlement Court.

11. Integrated Agreement. This Agreement, including the exhibits hereto, together with the agreement provided for in Section IV(2) and any exhibits thereto, contain an entire, complete, and integrated statement of each and every term and provision agreed to by and between the Parties hereto, and supersede all prior oral or written agreements and contemporaneous oral agreements among the Parties.

12. Notices. All notices and other communications required or permitted under this Agreement, other than requests for exclusion or objections to the proposed settlement, shall be in writing and delivered in person, by overnight delivery service or by facsimile. Any such notice shall be deemed given as of the date of receipt and shall be delivered to the Parties as follows:

If To Plaintiffs:

Calvin C. Fayard, Jr., Esq.
FAYARD & HONEYCUTT
519 Florida Avenue, SW
Denham Springs, LA 70726

If To Travelers:

David F. McDowell, Esq.
Morrison & Foerster LLP
555 West Fifth Street, Suite 3500
Los Angeles, California 90013-1024

13. Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision if Travelers and Class Settlement Counsel mutually elect to proceed as if such invalid, illegal or unenforceable provision had never been included in the Agreement.

14. Public Statement. Settlement Class Counsel and Travelers may, upon execution of this Agreement, each issue a public statement with respect to the settlement embodied by this

Agreement. The content of each public statement is to be agreed upon by the Parties prior to release.

IN WITNESS WHEREOF, the parties hereto, through their fully authorized representatives, have executed this Agreement as of the date first written below.

GLORIA ARTHUR

TRAVELERS

By: _____

By: _____

Its: _____

Dated: _____

Dated: _____

SETTLEMENT CLASS COUNSEL

By: _____

Dated: _____

SETTLEMENT CLASS COUNSEL

By: _____

Dated: _____

SETTLEMENT CLASS COUNSEL

By: _____

Dated: _____

SETTLEMENT CLASS COUNSEL

By: _____

Dated: _____